

The following is a quick overview of the federal **FAST (Fix America's Surface Transportation) Act**, which was signed into law by President Obama on Dec. 4, 2015. Freight was the major driver for the transportation bill. No matter what side of the aisle or side of the capitol, the consensus was freight is a national issue. It was one of the only new programs with funding to be included in the bill. The Fast Act includes broad port eligibility in the new freight programs, planning programs and financing programs such as TIFIA; recognizing the economic impact ports play within our national, regional and local economies. Specifically,

- **The Fast Act provides \$6.3 billion** for the first ever National Highway Freight Program. This program provides formula funding to states for freight projects such as first and last mile projects, connector projects and other highway focused freight projects. It is important to note that states will continue to receive this formula funding after two years, **ONLY if states have a state freight plan**. *AAPA encourages all its U.S. members to continue to work with their states on their freight plans, work with their MPO's and to continue to be involved with their state's freight advisory committees. It is essential to be involved in the planning process at the beginning in order to secure project funding later in the process.*
- In addition to the National Highway Freight Program, the *new Surface Transportation Block Grant program* also has broad eligibility and retains the same Surface Transportation Program (STP) eligibilities, meaning that states can fund port connectors through these funds so this continues to be an option for ports.
- **Another major accomplishment is the \$4.5 billion** for the nationally and regionally significant freight and highway projects. This is a discretionary grant program that provides resources for the larger gateway and corridor projects. *It is funded under contract authority and not subject to annual appropriations like TIGER. The minimum grant amount is \$25million. This discretionary grant program also includes:*
  - \$500 million for multimodal freight projects
  - \$450 million, which is 10 percent of the total program funding, for smaller freight projects that range from \$5 to \$100 million each, projects are multimodal eligible. AAPA believes that this will also be a good source for first and last mile projects as well.

## **USDOT Implementation and Financing Programs**

- Another key accomplishment was elevating freight out of mode specific agencies within the USDOT to the Secretary's office. The FAST Act places the freight portfolio with the Under Secretary of Policy. AAPA has long advocated for this type of visibility and utility for a multimodal freight policy program and this should be particularly helpful as USDOT begins the implementation process. It is too early to know how this office will look and who will run it, but we will continue to monitor this and when appropriate we will weigh in.
- The FAST Act also called for a Multimodal Strategic Freight Plan and a Highway Freight Network, which will be wrapped together. The Fast Act requires the Transportation Secretary to release a preliminary network within 180 days and full multimodal network plan within a year. USDOT is currently discussing if the National Freight Strategic Plan could be released as the Multimodal Strategic Freight plan to meet the deadline.
- However, given the fluid timing with the passage of the FAST Act, the release of the Draft National Freight Strategic Plan and the short turn around to implement the Multimodal Strategic Freight Plan; AAPA is looking at the comments for the Draft National Freight Plan as the first opportunity to weigh in on the new freight provisions as an industry and to offer suggestions on how the new freight office should be set up. AAPA urges all U.S. ports to review the National Freight Strategic Plan and to submit comments to AAPA Government Relations Vice President Susan Monteverde.
- Additionally, the FAST Act continues the Transportation Infrastructure Finance and Innovation Act (TIFIA) Program at \$1.435 billion over five years and ports continue to be eligible. But more importantly, MARAD has been working very closely with the TIFIA office on port specific projects to get them financing and to raise the awareness about ports within USDOT. AAPA expects TIFIA to be an even greater tool for ports over the next five years.
- The FAST Act also authorizes the National Surface Transportation and Innovative Finance Bureau, which essentially authorizes the Administration's Build America Transportation Investment Center or BATIC. AAPA has tracked this program over the past 20+ months, citing that this essentially streamlines the federal government loan and regulatory programs into one office with the intent to make financing complex transportation projects while partnering with the federal government more user friendly.

- The BATIC should be extremely helpful to ports. As we say, ports are the definition of public private partnerships and the perfect example of intermodalism. To really drive this point home, AAPA is in the process of finalizing its port investment survey and the results are timely as USDOT begins to implement FAST Act transportation and freight financing policies.
- Finally, the FAST Act also reauthorized the Ex-Im Bank, another AAPA priority, which will help continue the flow of trade through U.S. ports. And the legislation also highlights port eligibility, includes a section on port related equipment and vehicles in PM2.5 areas Congestion Mitigation and Air Quality Improvement Program (CMAQ). This provides our ports an enhancement on a federal air quality tool that has been very beneficial to ports across the United States.
- Also, specific port metrics were omitted from the final conference report. This was also a top AAPA priority. **Thank you to those of you who weighed in with your members and to conferees.** In the place of performance metrics, the USDOT Bureau of Transportation Statistics (BTS) will be standing up working group, which AAPA recommended, to discuss broad and aggregable national performance measurements that the USDOT will report out in a year. *AAPA understands that BTS staff met for the first time on this issue in January, but it is unclear how quickly this unfunded provision will move forward within USDOT.*